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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF ARIZONA SOLAR ONE, LLC., IN Docket No. L-00000GG-08-0407-00139 CONFORMANCE WITH THE REOUIREMENTS OF ARIZONA REVISED Case No. 139 STATUTES §§ 40-360, et seq., FOR A Commission CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE CONSTRUCTION OF THE SOLANA GENERATING STATION, LOCATED IN SECTION 9, TOWNSHIP 6 SOUTH, RANGE 7 WEST, MARICOPA COUNTY, ARIZONA. IN THE MATTER OF THE APPLICATION Docket No. L-00000GG-08-0408-00140 OF ARIZONA SOLAR ONE, LLC., IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES §§ 40-360, et seq., FOR A Case No. 140 CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE CONSTRUCTION OF THE SOLANA GEN-TIE, WHICH ORIGINATES AT THE SOLANA GENERATING STATION, LOCATED IN SECTION 9, TOWNSHIP 6 SOUTH, RANGE 7 WEST, MARICOPA COUNTY, AND TERMINATES AT THE PANDA 230 kV SUBSTATION, LOCATED IN SECTION 20, TOWNSHIP 5 SOUTH. RANGE 4 WEST, GILA BEND, ARIZONA.

RESPONSE TO ARIZONA CORPORATION COMMISSION STAFF'S REQUEST FOR REVIEW

I. Introduction

On November 5, 2008, the Arizona Corporation Commission Staff ("Staff") submitted a Request for Review of the Certificates of Environmental Compatibility ("CECs") granted to Arizona Solar One ("Applicant") by the Arizona Power Plant and Transmission Line Siting

1993208.1

Committee ("Committee") in the above referenced dockets. One issue raised by Staff was its request for clarification of the corridor description in the CEC. As Staff noted in its Request, the Applicant does not oppose this clarification. Staff also asked the other parties to provide any additional e-mails between any party and any Committee member(s) not included with Staff's Request for Review. Attachment A includes additional e-mails identified by the Applicant.

Staff also requested that the Commission overturn one aspect of the Committee's decision and impose a condition mandating a specific distance between existing 230 kV lines and the new line certificated in Case 140 ("Gen-Tie"). Because this proposed condition would unnecessarily burden private landowners and add costs to the Project, the Applicant urges the Commission to uphold the Committee's decision for the reasons outlined below.

II. A pole separation condition would impose unnecessary costs.

Staff requests that the Commission order that the distance between the Gen-Tie's new, metal towers and the existing, wooden poles that are located along a portion of the route be equal to or greater than the height of the tallest metal tower in each span.

Staff believes the proposed condition provides a benefit by protecting an existing transmission line built with wooden poles from the threat of complete failure of the adjacent new, metal towers. However, there is little risk that some event would cause the metal towers, but not the wooden ones, to fail. The testimony in this case is that the 230 kV metal poles contemplated to be used for this Project are far more sturdy than the existing wooden poles. Tr. at 402:18-403:2.

The Applicant believes the costs of the proposal outweigh any speculative benefits associated with it. Staff's condition would require the Applicant to acquire an additional right-of-way between 30 to 120 feet in width, for a distance of at least four, and potentially eight, miles. This equates to nearly 120 additional acres that the Applicant would need to acquire for the Gen-Tie right-of-way. Additionally, landowners would be faced with the prospect of wider spacing between parallel lines on their properties. In sum, the additional right-of-way that would be

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required if Staff's proposed condition were adopted increases costs for the Project and increases impacts to the landowners on whose property the Gen-Tie will cross.

When it conducted its objective comparison of the costs and benefits based on the evidence in the record, the Committee concluded that the condition was unwarranted. The Applicant believes the Committee's decision remains sound and respectfully requests that it be upheld.

Alternatively, Staff has proposed a modification to the CEC that would specify that the minimum distance between towers be at least the distance of the height of the tallest wooden 230 kV tower in a given span. Staff correctly summarizes the testimony on this point, and the Applicant does not oppose this alternative modification to the CEC.

III. Conclusion

As the evidence before the Committee showed, Staff's requested additional condition specifying a pole separation distance would impose unwarranted additional costs on the Applicant and impact on private landowners. However, Staff's alternative request is consistent with the record and is acceptable to the Applicant.

RESPECTFULLY SUBMITTED this 26th day of November, 2008.

LEWIS AND ROCA LLP

Thomas H. Campbell

Albert H. Acken

40 N. Central Avenue

Phoenix, Arizona 85004

Attorneys for Arizona Solar One, LLC

1	the foregoing filed this 26 th day of November, 2008, with:
2	
3	The Arizona Corporation Commission Utilities Division – Docket Control
4	1200 W. Washington Street
5	Phoenix, Arizona 85007
6	COPY of the foregoing mailed this 26 th day of November 2008, to:
7	John Foreman, Chairman
8	Arizona Power Plant and
9	Transmission Line Siting Committee Office of the Attorney General
10	1275 West Washington Street Phoenix, Arizona 85007
11	Charles H. Hains
12	Legal Division
13	Arizona Corporation Commission 1200 West Washington Street
14	Phoenix, Arizona 85007
	Attorney for the Arizona Corporation Commission Staff
15	Timothy M. Hogan
16	202 E. McDowell Road, Suite 153 Phoenix, Arizona 85004
17	Attorney for Sierra Club – Grand Canyon Chapter
18	Jay Moyes
19	Jeffrey Zimmerman
20	Moyes Sellers & Sims 1850 N. Central Avenue, Suite 1100
21	Phoenix, Arizona 85004 Attorneys for Paloma Irrigation and Drainage District
22	Attorneys for I atoma irrigation and Diamage District
23	
24	Betty Driffin
25	11 11 11

ATTACHMENT A

From:

Griffin, Betty Jean

Sent:

Tuesday, August 05, 2008 3:55 PM

To:

'susan.ellis@azag.gov'; 'john.foreman@azag.gov'

Cc:

Campbell, Tom; Acken, Albert; Haberman, Marjorie

Subject:

Final Notice of Hearing

Attachments: 1960230_1.DOC

Attached is the final version of the Notice of Hearing in the Abengoa matter(s). Just to be sure you received this, please confirm receipt by return e-mail or telephone.

Thanks - Betty Jean

Betty Jean Griffin, Secretary to Thomas H. Campbell and Marjorie J. Haberman Lewis and Roca LLP 40 N. Central Avenue Phoenix, AZ 85004 (602) 239-7424 BJGriffi@LRLaw.com

From:

John Foreman [John.Foreman@azag.gov]

Sent:

Tuesday, August 05, 2008 4:43 PM

To:

Griffin, Betty Jean

Cc:

Acken, Albert; Haberman, Marjorie; Campbell, Tom

Subject:

Re: Final Notice of Hearing

Betty Jean,

I will sign the notice tomorrow when we get the Motion to Consolidate and I will also execute the pre-hearing procedural order.

Thanks for your help

John Foreman

Assistant Arizona Attorney General

Chair, Arizona Power Plant and Transmission Line Siting Committee

1275 W. Washington Phoenix, AZ 85007 Tel: 602-542-7902 FAX: 602-542-4377 john.foreman@azag.gov

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>>> "Griffin, Betty Jean" <BJGriffi@lrlaw.com> 8/5/2008 3:55 PM >>> Attached is the final version of the Notice of Hearing in the Abengoa matter(s). Just to be sure you received this, please confirm receipt by return e-mail or telephone.

Thanks - Betty Jean

Betty Jean Griffin, Secretary to Thomas H. Campbell and Marjorie J. Haberman Lewis and Roca LLP 40 N. Central Avenue Phoenix, AZ 85004 (602) 239-7424 BJGriffi@LRLaw.com

For more information about Lewis and Roca LLP, please go to www.lewisandroca.com. Phoenix (602) 262-5311 Tucson (520) 622-2090 Las Vegas (702) 949-8200 Reno (775) 823-2900 Albuquerque (505) 764-5400

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Haberman, Marjorie

From: Sent: Susan Ellis [Susan.Ellis@azag.gov] Monday, August 25, 2008 1:11 PM Haberman, Marjorie; Campbell, Tom

To: Cc:

John Foreman

Subject:

#139 - #140 SOLAR ONE PRE-HEARING CONFERENCE

The Pre-Hearing Conference is scheduled for September 15, 2008 at 1:30 p.m., at the Arizona Attorney General's Office, 1275 West Washington Street, in the CPA Small Conference Room. Check in with the Receptionist, who will then notify us you are here.

Susie Ellis Office of the Arizona Attorney General Antitrust Unit 1275 W. Washington Phoenix, AZ 85007-2926 Tel: (602) 542-7764

Fax: (602) 542-7764 Fax: (602) 542-9088 susan.ellis@azag.gov

Haberman, Marjorie

From:

Susan Ellis [Susan.Ellis@azag.gov]

Sent:

Wednesday, September 17, 2008 11:01 AM

To:

Timothy Hogan; Jack Haenichen; Paul Rasmussen; Mike Biesemeyer; Gregg Houtz; Barry Wong; Mike Whalen; David Eberhart; Patricia Noland; Jay Moyes; Haberman, Marjorie; Campbell, Tom; Suzanne Gray;

Mike Palmer; Jeff McGuire; Billie Doorenbos

Cc:

John Foreman; Linda Hogan

Subject:

Second Amended Notice of Hearing

Attachments: 20080917213909176_1.pdf

Please see attached.

Susie Ellis
Office of the Arizona Attorney General
Antitrust Unit
1275 W. Washington
Phoenix, AZ 85007-2926

Tel: (602) 542-7764 Fax: (602) 542-9088 susan.ellis@azag.gov

From:

Tim Hogan [thogan@aclpi.org]

Sent:

Friday, October 03, 2008 7:32 AM

To:

Acken, Albert; jczimmerman@cox.net

Cc:

Campbell, Tom; 'John Foreman'

Subject: RE: Arizona Solar One / Case No. 139, Draft CEC

Bert – I'm in depositions all day today. I'm available at 3:30 or after on Monday and then in depositions the rest of the week. Noon on Tues thru Fri would work best for me.

Tim Hogan
Executive Director
Arizona Center for Law in the Public Interest
202 E. McDowell Rd., Suite 153
Phoenix, AZ 85004
Tel: (602)258-8850

From: Acken, Albert [mailto:AAcken@lrlaw.com]
Sent: Thursday, October 02, 2008 4:55 PM

To: iczimmerman@cox.net

Cc: Campbell, Tom; Tim Hogan; John Foreman

Subject: Arizona Solar One / Case No. 139, Draft CEC

Jeff

As noted in Tom's email yesterday to the parties, and in accordance with the Chairman's procedural order, we propose a teleconference to meet and confer concerning proposed findings of fact, proposed conclusions of law, and the wording of the proposed Certificates of Environmental Compatibility. Charles and I spoke preliminarily today concerning scheduling and we're tentatively targeting early next week for the teleconference. Please advise Charles, Tim and me of your availability for a call to discuss. Thanks. Bert Acken

Thanks: Bott Honor

From: Jeff Zimmerman [mailto:

Sent: Thursday, October 02, 2008 3:31 PM
To: John.Foreman@azag.gov; Campbell, Tom

Cc: CHains@azcc.gov; Jay Moyes

Subject: Arizona Solar One / Case No. 139, Draft CEC

Chairman Foreman and Mr. Campbell,

Jay Moyes and I hereby convey the request of Paloma Irrigation and Drainage District ("District") that an additional condition be added to the draft Arizona Solar One CEC and that finding No. 8 be modified, as follows:

Condition to be added:

__. Applicant or its assignees will compensate Paloma Irrigation and Drainage District ("PIDD") for all water used at Solana in accordance with applicable PIDD rates, rules and regulations for such class of use, subject to and in accordance with the contract that Applicant has entered into with PIDD governing such water use.

If there is no agreement between PIDD and the project by October 14th, this condition should read as follows:

___. Applicant or its assignees will compensate Paloma Irrigation and Drainage District ("PIDD") for all water used at Solana in accordance with applicable PIDD rates, rules and regulations for such class of use.

In addition, finding and conclusion No. 8 should be modified to read as follows:

8. Solana will be a water cooled plant that will use approximately 3,000 acre feet per year within PIDD, which is substantially less than the approximately 36,000 acre feet per year that has been historically delivered by PIDD and used on this site for agriculture, and Applicant or its assignees will compensate PIDD for all water used at Solana in accordance with applicable PIDD rates, rules and regulations for such class of use. (Additions and changes are in bold font.)

I am available for a conference call if we need to discuss this, Tom. I will send separate commentson the draft Gen-Tie CEC. Thank you!

Jeff

Jeff Zimmerman Moyes Sellers & Sims 480-609-0402

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From: Acken, Albert

Sent: Tuesday, October 07, 2008 9:42 AM

To: 'John Foreman'

Cc: 'chains@azcc.gov'; 'Jeff Zimmerman'; Campbell, Tom; Tim Hogan; rmitchell@azcc.gov

Subject: Case 139, Arizona Solar One: Water data

Chairman Foreman

At the last hearing day, Staff counsel asked whether it would be possible for Staff to receive a copy of hydrological studies conducted for the Project. Tr 264:17-19. Additionally, Committee Member Houtz offered to have DWR write a letter concerning water availability onsite. Tr 309 and 310. The Applicant has compiled a brief summary to provide to Staff, in response to its request, and DWR, to assist its preparation of its letter.

Do you have a preference as to how the Applicant should circulate that information to Staff, DWR, the other parties, and the Committee?
Thanks, Bert

From:

John Foreman [John.Foreman@azag.gov]

Sent:

Thursday, October 09, 2008 4:45 PM

To:

thogan@aclpi.org; chains@azcc.gov; jczimmerman@cox.net; jmoyes@lawms.com; Acken,

Albert: Campbell, Tom

Cc:

John Foreman; Linda Hogan; Jack Haenichen; Paul Rasmussen; Mike Biesemeyer; Gregg

Houtz: Barry Wong; Mike Whalen; David Eberhart; Patricia Noland; Mike Palmer; Jeff

McGuire: Billie Doorenbos

Subject:

AGENDA FOR LINE SITING HEARING #139/#140

Attachments:

PHX-#309912-v1-AGENDA_FOR_LINE_SITING_HEARING_#139_#140.DOC



PHX-#309912-v1-A GENDA_FOR_LINE...

Attached is an amended agenda for the hearing set for October 14, 2008. It was delivered to the ACC this afternoon for posting.

John Foreman

Assistant Arizona Attorney General

Chair, Arizona Power Plant and Transmission Line Siting Committee

1275 W. Washington Phoenix, AZ 85007 Tel: 602-542-7902 FAX: 602-542-4377

john.foreman@azag.gov

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From:

Jeff Zimmerman [jczimmerman@cox.net]

Sent:

Friday, October 10, 2008 12:38 PM

To:

John Foreman

Cc:

Tim Hogan; chains@azcc.gov; Linda Hogan; rmitchell@azcc.gov; Jack Haenichen; Paul Rasmussen: Mike Biesemeyer: Gregg Houtz; Barry Wong; Mike Whalen; David Eberhart; Patricia Noland: Jay Moves; Acken, Albert; Campbell, Tom; Mike Palmer; Jeff McGuire; Billie

Subject:

Re: Case 139, Arizona Solar One: Water data

Attachments:

Declaration recorded.pdf



Declaration ecorded.pdf (5 MB..

Mr. Chairman.

I am attaching for your information a copy of the Declaration we wish to introduce into evidence. We are only interested in pointing out Sections 3.3 and 4.1. The fact that the Declaration was recorded against the Applicant's project site prior to their acquisition of it is a local condition that PIDD will ask to have reflected in the recommended CEC. am attempting to reach all other counsel to see if we can get agreement on this. I do not have the latest version of the draft CECs but I am confident they will be provided to you by other counsel.

Sincerely,

Jeff Zimmerman Jay Moyes Moyes Sellers & Sims 480-609-0402

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---- Original Message -----

From: "John Foreman" <John.Foreman@azag.gov>
To: "Jeff Zimmerman" <jczimmerman@cox.net>

Cc: "Tim Hogan" <thogan@aclpi.org>; <chains@azcc.gov>; "Linda Hogan"

<lhogan@azcc.gov>; <rmitchell@azcc.gov>; "Jack Haenichen"
<JackH@AZcommerce.com>; "Paul Rasmussen" <PWR@azdeq.gov>; "Mike Biesemeyer"

<mike@azroyal.com>; "Gregg Houtz" <GAHoutz@azwater.gov>; "Barry Wong"
<Barry@barrywong.com>; "Mike Whalen" <Centurian@cox.net>; "David Eberhart" <TBirdGroup@cox.net>; "Patricia Noland" <panoland@hotmail.com>; "Jay Moyes"

<JIMoyes@lawms.com>; "Albert Acken" <AAcken@lrlaw.com>; "Tom Campbell"
<TCampbel@lrlaw.com>; "Mike Palmer" <MightyMikeBisbee@peoplepc.com>; "Jeff McGuire"

<JMcGuire@q.com>; "Billie Doorenbos" <BillieDoorenbos@qwest.net>

Sent: Friday, October 10, 2008 10:44 AM

Subject: Re: Case 139, Arizona Solar One: Water data

Counsel,

I do not have a copy of the latest version of the draft CEC that I understand you have been working on or the document to which you refer.

I can foresee two reasons for having someone available to testify about the document: 1) to establish it is what it purports to be (basic foundation); and 2) to establish relevance or materiality, if that is not evident from the document itself. If the document has been disclosed and circulated to the other parties, I assume they could advise you whether they object. I would want to hear from them before I ruled on its admissibility. The bar for admissibility is low, but it does exist. I assume there is no problem with timely disclosure. If it is admitted and in the record, you can argue its impact. Please talk to the other parties and proceed accordingly. Please remember to also have copies of the exhibit for members of the Committee.

I would like to have a copy of the draft CEC and conditions before the end of the day so I can prepare for the hearing on Tuesday.

Do counsel still expect we will finish on October 14?

John Foreman Assistant Arizona Attorney General Chair, Arizona Power Plant and Transmission Line Siting Committee 1275 W. Washington Phoenix, AZ 85007 Tel: 602-542-7902

FAX: 602-542-4377 john.foreman@azag.gov

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>>> "Jeff Zimmerman" <jczimmerman@cox.net> 10/10/2008 10:15 AM >>> Dear Chairman,

At the hearing on October 14th, Paloma Irrigation and Drainage District wants to introduce PIDD Exhibit 1, a copy of the Declaration containing real property covenants that has been recorded against all the land in the District and other lands. It is relevant to one of the generating plant conditions that the Committee will be asked to determine in Case No. 139 and to the proposed rebuttal testimony of Applicant's October 14th panel. If we need to lay a foundation for it, we can have the District Manager or other District representative present to briefly testify about it. But we just want to have it in the record so we can point out two provisions to the Committee members. So if it is possible to avoid the need for testimony since the Declaration is a public record, we believe the plain language of the document speaks for itself. We would appreciate your guidance on whether to have a District representative available to testify and we ask the other parties to agree to its admission in advance.

The District and the Applicant differ about whether proposed Condition No. 9 in the generating plant CEC, Case No. 139, should require that the Applicant file evidence, before commercial operations, that it has reached agreement with the District about the use of groundwater at the project. The Applicant wants Condition No. 9 to merely require the Applicant to show it has secured a right to use groundwater for the project. The Declaration contains provisions giving the District the right to regulate all water use on lands in the District. The Applicant has to reach agreement with the District, and the District will request that Condition No. 9 reflect this basic fact.

Respectfully submitted,

Jeff Zimmerman

Jay Moyes Moyes Sellers & Sims 480-609-0402 This email may be a privileged and confidential communication of counsel. If you have received it in error, please delete the message and report the error to 480-609-0402. No privilege or confidentiality is waived by any error.